
HOUSE BILL No. 1596

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33; IC 5-1-14-4; IC 5-22-17-3; IC 5-22-20-1.

Synopsis: Local revenue commitments. Prohibits the use of riverboat admissions tax or riverboat wagering tax revenue as a pledge for bonds, leases, or other obligations. Provides that contracts for services may be entered for a maximum period of four years. Provides that a contract entered by a city, town, township, or county must have a clause allowing a revocation of the contract by the city, town, township, or county that entered the contract.

Effective: July 1, 2001.

Smith V, Brown C

January 17, 2001, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1596

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-33-12-6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) The department
3 shall place in the state general fund the tax revenue collected under this
4 chapter.
5 (b) Except as provided by subsection (c), the treasurer of state shall
6 quarterly pay the following amounts:
7 (1) One dollar (\$1) of the admissions tax collected by the licensed
8 owner for each person embarking on a riverboat during the
9 quarter shall be paid to:
10 (A) the city in which the riverboat is docked, if the city:
11 (i) is described in IC 4-33-6-1(a)(1) through
12 IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); or
13 (ii) is contiguous to the Ohio River and is the largest city in
14 the county; and
15 (B) the county in which the riverboat is docked, if the
16 riverboat is not docked in a city described in clause (A).
17 (2) One dollar (\$1) of the admissions tax collected by the licensed



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owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter. This amount shall

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be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(5) The division of mental health shall receive ten cents (\$0.10) of the admissions tax collected for each person embarking on the riverboat during the quarter. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(d) Money paid to a unit of local government under subsection (b)(1) through (b)(2) or subsection (c)(1):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5; ~~and~~

(3) may be used for any legal or corporate purpose of the unit, ~~including other than~~ the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; ~~and~~

(4) may not be used for the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(e) Money paid by the treasurer of state under subsection (b)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(f) Money received by the division of mental health under subsections (b)(5) and (c)(5):

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- (1) is annually appropriated to the division of mental health;
 (2) shall be distributed to the division of mental health at times during each state fiscal year determined by the budget agency; and
 (3) shall be used by the division of mental health for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

SECTION 2. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

- (1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;
 (2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5; ~~and~~
 (3) may be used for any legal or corporate purpose of the unit, ~~including other than~~ the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; ~~and~~
(4) may not be used for the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

SECTION 3. IC 5-1-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. (a) Notwithstanding any other law, a pledge of revenues or other money, or property made by any issuer is binding from the time the pledge is made. Revenues or other money, or property pledged and thereafter received by the issuer are immediately subject to the lien of the pledge without any further act, and the lien of a pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against the issuer, regardless of whether the parties have notice of any lien. No resolution, ordinance, indenture, or any other instrument by which a pledge is created needs to be filed or recorded except in the records of the issuer.

(b) **Except as provided in subsection (c), but** notwithstanding any other law, an issuer may pledge any revenues or other money or pledge or mortgage property to pay debt service on or secure any obligations



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or any lease rental or contractual payments, if:

- (1) the issuer has the necessary statutory authority to issue obligations, pay lease rentals, or make contractual payments for any project or purpose for which the pledge or mortgage is made;
- (2) the revenues, money, or property is legally available, under federal, state, and local laws, to pay or secure debt service, lease rentals, or contractual payments; and
- (3) the pledge or mortgage does not purport to create an obligation in violation of any statutory or constitutional limitation to which the issuer is subject.

(c) Money paid to a unit of local government under IC 4-33-12-6 or IC 4-33-13-6 may not be used for the pledge of money to bonds, leases, or other obligations under this chapter.

SECTION 4. IC 5-22-17-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) This section does not apply to a discounted contractual arrangement for services or supplies funded through a designated leasing entity.

(b) Subject to subsections (c) through (e) and section 5 of this chapter, a contract for **services or** supplies may be entered into for a period not to exceed four (4) years.

(c) County and municipal hospitals may contract for the purchase of supplies for more than one (1) year but not more than five (5) years if the supplies are purchased under IC 5-22-7.

(d) The contract must specify that payment and performance obligations are subject to the appropriation and availability of funds.

(e) A political subdivision must have available a sufficient appropriation balance or an approved additional appropriation before a purchasing agent may award a contract.

SECTION 5. IC 5-22-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. **(a) Except as provided in subsection (b),** a governmental body may establish policies or adopt rules permitting or requiring any of the following:

- (1) The inclusion of clauses providing for adjustments in prices or time of performance.
- (2) The inclusion of contract provisions dealing with either of the following:
 - (A) The unilateral right of the governmental body to order, in writing either of the following:
 - (i) Changes in the work within the scope of the contract.
 - (ii) Temporary stopping of the work or delaying performance.
 - (B) Variations occurring between estimated quantities of work

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1 in a contract and actual quantities.

2 (b) A contract entered by a city, town, township, or county after
3 June 30, 2001, for services (as defined in IC 5-22-2-30) or supplies
4 (as defined in IC 5-22-2-38) must have a clause allowing a
5 revocation of the contract by the city, town, township, or county
6 that entered the contract.

7 SECTION 6. [EFFECTIVE JULY 1, 2001] (a) Notwithstanding
8 IC 4-33-12-6, IC 4-33-13-6, and IC 5-1-14-4, all as amended by this
9 act, a pledge of revenue made before July 1, 2001, remains valid
10 after June 30, 2001, until the payments for the bond, lease, or other
11 obligation is satisfied.

12 (b) Notwithstanding IC 5-22-17-3, as amended by this act, a
13 contract for services entered before July 1, 2001, that exceeds four
14 (4) years in length, remains valid after June 30, 2001, until the term
15 of the contract expires.

16 (c) Notwithstanding IC 5-22-20-1, as amended by this act, a
17 contract by a city, town, township, or county entered before July
18 1, 2001, that does not contain a clause providing for the revocation
19 of the contract by the city, town, township, or county remains valid
20 after June 30, 2001, until the term of the contract expires.

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